

REPORT SUMMARY

Department of Labor and Industry

Since unemployment insurance taxes are the primary source of benefits paid out to Montana's unemployed and due to the reliance the division has on the UIT System, we conducted an audit of the System, policies and procedures in place regarding access to the system, and enhancements made to the system.

Unemployment Insurance is a federal and state funded insurance program designed to provide temporary benefits to eligible individuals. The division maintains and operates the UIT System to assist in the administration of Montana employer's unemployment insurance tax records and premiums.

Audit Objectives, Scope and Methodology

This audit focused on the UIT System's operations including tax calculations and interactions with other systems, as well as the Unemployment Insurance Division's process for granting access to system components and creating modifications to the system. Based on the importance of the UIT System to the management of employer accounts, we addressed the following objectives:

- ♦ Verify the UIT System is accurately and completely calculating unemployment insurance tax rates for Montana's businesses.
- ♦ Verify transfer of information between systems is complete.
- ♦ Verify system changes go through controlled change management procedures.
- ♦ Verify controls are in place to limit access to the UIT System.

This audit was conducted in accordance with Government Auditing Standards published by the Government Accountability Office. In addition, we evaluated the control environment using generally applicable and accepted information technology standards established by the IT Governance Institute.

Conclusion

Based on tests performed, interviews and observations with programmers, users and management; the audit objectives have been achieved with the exception of system access. See attached audit report for opportunities for improvements in access control to ensure compliance.